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STATE FOR ISN/CB, VCI/CCB, L/ACV, IO/S SECDEF FOR OSD/ISP JOINT STAFF FOR DD PMA-A FOR WTC COMMERCE FOR BIS (GOLDMAN) NSC FOR LEDDY WINPAC FOR WALTER

E.O. 12958: N/A TAGS: <u>PARM PREL</u> <u>CWC</u>

SUBJECT: CHEMICAL WEAPONS CONVENTION (CWC): WRAP-UP FOR ELEVENTH CONFERENCE OF THE STATES PARTIES (CSP-11), DECEMBER 5-8, 2006

REF: STATE 194517 (NOTAL)

This is CWC-112-06.

SUMMARY

11. (U) The Conference approved the U.S. request for an extension of its 100% destruction deadline to April 29, 2012. It also approved the Russian 100% destruction deadline request to 2012 and an accompanying decision regarding site visits that concerns the U.S. and Russia. Iran dragged the process through until late on the last day of the CSP, but ultimately joined consensus on both extension requests and the site visit decision. Approval was also reached on the 2007 OPCW budget. The point of contention had been the number of inspections of other chemical production facilities, and the compromise agreement was 118 OCPF inspections. Finally, an effort by some NAM delegations (led by Iran) to have an action plan on Article XI implementation was rejected by Western delegations, who agreed on the need to first select an Article XI facilitator. End Summary.

U.S. EXTENSION REQUEST

12. (U) After a week of negotiations, primarily the result of the Iranian desire to maintain pressure on the U.S. as long as possible, the extension request "package" (U.S. and Russian extension request and site visit draft decision) were gaveled through the special EC and the CSP late Friday evening. The bilateral negotiations were complicated by Indian intransigence on the site visit document. Citing "concern that the decision be in accordance with the Convention, and easily understood," and clearly motivated by a desire to preclude any possibility of EC visits to the Indian destruction facility, the Indian delegation dragged site visit discussions late into Thursday night, finally suggesting compromise language that also satisfied the Russian stipulation that the document be seen as "universal," i.e. applying to all possessor states. The UK, France and Germany, who had played a significant role in all but the

final discussions, were satisfied with the text as finally agreed.

13. (U) The Iranian delegation focused on extracting every possible reference to the U.S. obligation to meet the final deadline of 2012 in the U.S. draft decision. Iran seized upon a reference in the original U.S. text to the role of the Conference, and negotiations later in the week centered on leveraging the Russian refusal to include similar text in the Russian draft decision to work instead on compromise report language. In the end, report language agreed by Iran followed the section on extension requests, applied to all possessor states requesting an extension of their deadline to complete 100% destruction, and simply requested that the DG report on an annual basis, so the Conference could review the progress of CW destruction (avoiding problematic references to "taking appropriate action" or "making recommendations").

2007 BUDGET

14. (U) The CSP adopted the budget after a compromise was reached on issue of Article VI inspections, the last outstanding issue. The compromise, negotiated by the Vice Chair for Administrative and Budgetary Issues, Iranian Ambassador Ziaran, will result in 11 Schedule 1 inspections, 42 Schedule 2 inspections, 30 Schedule 3 inspections, and 118 OCPF inspections. The compromise also resulted in EC report language calling for industry consultations to address the frequency of inspections for different categories of Article VI facilities in the future

ARTICLE XI

15. (U) Although the CSP had no report to note or other documents to use to assess the implementation of the Article XI decision approved last year (C-10/DEC.14 dated 11 November 2005), a number of NAM delegations (Algeria, Brazil, China, Ecuador, India, Mexico, Pakistan, and Venezuela,) increased their calls for naming a facilitator to oversee consultations on the full implementation of Article ${\tt XI}$ and deplored restriction regimes on economic development. Cuba and Iran additionally called for the negotiation of an Article XI Action Plan in 2007. Iran reminded delegations of its view that western negotiators had promised to disband the Australia Group after EIF, and called for the development of an export control regime under OPCW auspices.

- $\underline{\ }$ 6. (U) Western delegations supported the call for a facilitator, with Germany reminding participants that unfortunately the NAM had been unable to find a volunteer willing to facilitate consultations in 2006. Western delegations noted that they did not support negotiations of an Action Plan, saying that the EC had yet to view implementation of the CSP decision. The NAM prepared text calling for the EC as a priority to name a facilitator, so that consultations could begin which would submit concrete proposals to the CSP-12. After a few small changes, the text was approved by the CSP.
- (U) The results of other items on the CSP agenda are noted below with numbering taken from the annotated provisional agenda for CSP-11.

ITEM TWO: ELECTION OF THE CHAIRPERSON

18. (U) Ambassador Alfonso Dastis (Spain) was elected chairman.

ITEM THREE: ELECTION OF VICE CHAIRPERSONS

19. (U) The Vice-Chairpersons were Algeria, Chile, Cuba, Iran, Philippines, Poland, Russia, Sudan, Sweden and the U.S.

ITEM FOUR: ADOPTION OF THE AGENDA

110. (U) The agenda was adopted without debate.

ITEM FIVE: ORGANIZATION OF WORK

 $\P 11.$ (U) The CSP adopted the recommendations of the General Committee.

ITEM SIX: CREDENTIALS COMMITTEE

112. (U) The CSP appointed Austria, Bolivia, Cameroon, Croatia, Ecuador, Finland, Namibia, Pakistan, Saudi Arabia and Slovakia to the Committee.

ITEM SEVEN: STATEMENT BY DIRECTOR-GENERAL

13. (U) Director-General Pfirter began his comments by referring to the destruction of Category 1 chemical weapons, in particular the U.S. and Russian extension requests. He said the visits were a means of addressing political questions regarding the destruction programs and they should remain separate from inspections. He also mentioned the

extensions requested by Albania, Libya, India, A State Party, China and Japan, and Italy. The DG reported that 179 inspections have been completed so far this year. He reiterated his belief that the proposed number of Article VII inspections in the 2007 budget is necessary to bring the verification effort to acceptable levels as soon as possible.

- 114. (U) Pfirter said nearly all SPs have established a National Authority and most are working on national legislation. He noted support given to implementation efforts, in particular by the U.S. He announced the databank of information, required under Article X, is online and is available to member states. The DG appealed to SPs to continue making voluntary contributions, which fund items like the Associate Program, which in the last 7 years has benefited 132 people from 78 SPs. He announced the departure in March 2007 of John Makhubalo as Director of International Cooperation and Assistance. His successor would be Ambassador Kalimi M. Mworia (Kenya), the first woman to serve in the top management of the Technical Secretariat.
- 115. (U) On the 2007 budget, the DG said SPs will have a reduction on annual contributions of 1.7%. Though the budget is negative zero-nominal-growth, they have not cut programs, noting that ICA funding is nearly 10% higher than in 2005. He said the payment plan for arrears would bring the OPCW into line with other UN organizations, and urged SPs to meet financial obligations to the OPCW in full and on time. On tenure policy, he appreciated the additional flexibility granted by delegations. The DG expressed his pleasure that at 181 SPs, the OPCW has exceeded the target of 180 by CSP-10, and there are only 14 non-SPs. The DG was pleased at the response of the Mediterranean Basin conference in Rome, adding that universality in the Middle East should not be dependent on an overall solution in the region.
- 116. (U) Pfirter told delegations new challenges are being generated by developments in science and technology. He referred to nanotechnology and micro-reactors, which create

new conditions and new demands on industry verification. He said preparations for the Second RevCon in April 2008 are continuing, and they are beginning to move into the substantive phase of work. The TS is continuing work on the Tenth Anniversary of the CWC for events in The Hague and elsewhere. The full text of the DG's statement is available on the external server.

ITEM EIGHT: GENERAL DEBATE

- 117. (U) The usual themes were raised, with particular emphasis on destruction and Article XI. Nearly all delegations stressed concern about destruction by the major possessors and urged them to complete destruction by 2012. Most noted that if this was not done, it would bring the integrity and credibility of the CWC into question. Few delegations mentioned the visits issue specifically, though they did say full transparency should be part of the extension requests. The second major point, made by every NAM delegation, was the full implementation of Article XI. In uncanny unison, they called for the right of developing countries to promote international cooperation through the transfer of technology, material and equipment for peaceful purposes, stating that it is enshrined in the CWC. Most notably, some delegations (particularly Iran) asked for an Action Plan.
- 118. (U) The Iranian Foreign Minister, H.E. Dr. Manouchehr Mottaki, gave their national statement. He expressed strong support for the CWC and OPCW, citing Iran's experience with CW used against their citizens by Iraq. He said Iran wants to set up a support network to mobilize international care for CW victims to address their special needs. He advocated penalties for the people and companies who sell CW materials, and said there are 400 European and U.S. countries that provided or transferred chemical agents to Iraq. The rest of

the speech followed along the lines of other NAM statements and was FAXed to $\ensuremath{\mathsf{ISN/CB}}$.

- $\P 19$. (U) Most delegations indicated their approval of the DG's new policy on tenure extensions. NAM delegations linked this to better geographic representation of TS jobs. Most women Ambassadors applauded the hiring of Amb. Mworia as the new ICA director and urged the DG to continue to look at women for further top-level positions. Delegations expressed pleasure that 181 countries had acceded to the CWC, and noted there is still a lot of work to do, particularly in the Middle East. Most delegations also reiterated their approval the extension of the Article VII action plan through another year. Most delegations also supported a ZNG budget, though some (mostly NAM) countries were unhappy with the idea of a negative ZNG budget, stating any extra funds should be funneled into ICA programs. A number of countries, both in WEOG, Asia Group, and GRULAC, stressed the need for a better OCPF site selection methodology. Most delegations also mentioned work being done to prepare for the Second RevCon and the importance of the Tenth Anniversary to highlight the accomplishments of the OPCW.
- 120. (U) Japan said they were working hard to address abandoned CW in China; China acknowledged Japan's hard work, but reiterated the need for Japan to work harder. Japan and Australia were also concerned about late submissions and transfer discrepancies. Cuba again decried the U.S. blockade as illegal. Copies of the available national statements were pouched the ISN/CB; most will be available on the OPCW website, www.opcw.org.

ITEM NINE: STATUS OF IMPLEMENTATION

121. (U) 9.1 and 9.2: Article VII. The CSP considered the report on the status of implementation of Article VII (as of

- 1 November 2006) and approved the decision containing the Council's recommendation without discussion. It should be noted that the CSP decision does not contain the EC-specific elements that were in the EC decision text.
- 122. (U) Following the gaveling through of this CSP decision, Assistant Secretary of Commerce, Christopher Padilla, addressed the CSP to review U.S. efforts in providing Article VII implementation assistance to other SPs. These efforts include Technical Assistance Visits and various outreach products - the Implementation Assistance Program (IAP), released in English, Spanish and French, and the new Global Chemical Industry Compliance Program, which were made available to delegations during the CSP. His statement also introduced a new strategy to ensure that essentially 100 percent of declarable industrial chemical activities occur within SPs that have fully met their Article VII obligations within the Tenth Anniversary. This would be done by focusing our outreach effort on approximately 20 SPs with significant chemical production and trade that have yet to fully meet these obligations.
- 123. (U) A/S Padilla held bilateral meetings with the following delegations to discuss this new initiative: the Philippines, Mexico, Indonesia, China, India, Australia, Portugal, the Netherlands, Germany, and Japan. His message was very well-received by all SPs except for Mexico. (Note: Later discussions between Ambassador Javits and Mexican Ambassador Fuentes revealed that the Mexican industry will benefit greatly from industry-to-industry interaction, as long as caution is taken in how this is packaged.) The Philippines asked for U.S. support of an industry outreach seminar in Manila in early 2007, and Indonesia asked for continuing dialogue for further industry-related support.
- 124. (U) In meetings with the DG and Legal Adviser Onate, there was clear support for this initiative and commitment to TS support in providing data, outreach, etc. Article VII

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facilitator Ambassador Lak (Netherlands) also supported this initiative and recommended establishing a small group of

- like-minded delegations to prioritize and organize our outreach efforts. Several delegations have already shown interest in participating in such a group. China requested A/S Padilla further discuss this initiative in early 2007 in China as part of a planned visit.
- 125. (U) 9.3: Confidentiality. The CSP noted the report by the DG on the implementation of the regime governing the handling of confidential material by the TS in 2006.
- 126. (U) 9.4: A State Party's Deadline Extension. The CSP approved without comment A State Party's request to extend its deadline for completion of destruction of its chemical weapons stockpiles to December 31, 2008.
- 127. (U) 9.5: Indian Extension Request. The CSP approved without comment India's request to extend its deadline for completion of destruction of its chemical weapons stockpiles to April 28, 2009.
- ¶28. (U) 9.6: Libyan Extension Request. The CSP approved without comment Libya's request to extend its intermediate destruction deadlines to May 1, 2010 (1%), July 1, 2010 (20%) and November 1, 2010 (45%) and its deadline for completion of destruction of its chemical weapons stockpiles to December 31, 2011.
- 129. (U) 9.7: U.S. Extension Request. Noted above.
- 130. (U) 9.8: Russian Extension Request. Noted above.
- 131. (U) 9.9: Albanian Extension Request. The CSP approved without comment the Albanian request to extend its intermediate deadlines to January 15, 2007 (1%), January 31,

2007 (20%) and February 28, 2007 (45%).

132. (U) 9.10: Visits to Possessors. Noted above. Upon the recommendation of EC-M-26, the CSP adopted a decision outlining the (originally UK) proposal for members of the EC to conduct visits to CW destruction facilities in the U.S. and Russia, beginning no later than 2008.

ITEM TEN: ANNUAL REPORT OF THE OPCW ON IMPLEMENTATION

 $\P 33.$ (U) The CSP considered and approved the report of the OPCW without discussion.

ITEM ELEVEN: ANNUAL REPORT OF THE EXECUTIVE COUNCIL

134. (U) The CSP noted the report on the performance of the EC's activities for the period from 2 July 2005 to 7 July 12006. The report was introduced by the Chairperson of the Council, Ambassador Hlengiwe Buhle Mkhize of South Africa, who also elaborated upon EC recommendations requiring attention since the 7 July cut-off date.

ITEM TWELVE: ELECTION OF MEMBER STATES TO THE EC

135. (U) The CSP elected 21 members for the following elective places on the EC for a two year term starting on 12 May 2007: Africa (Cameroon, Ghana, Lesotho, Sudan, and Tunisia); Asia (China, India, Japan, Malaysia, Republic of Korea, and Saudi Arabia); Eastern Europe (Bulgaria, Czech Republic); Latin America and the Caribbean (Argentina, Brazil, and Mexico); and WEOG (U.S., France, Germany, Italy, and UK).

ITEM THIRTEEN: PROGRAMME AND BUDGET

- ¶36. (U) 13.1: Draft Programme and Budget. Noted above.
- 137. (U) 13.2: Medium-Term Plan for 2007 to 2009. The plan was noted without comment.

ITEM FOURTEEN: SCALE OF ASSESSMENTS

 $\P 38.$ (U) The CSP adopted the decision on the scale of assessments without comment.

ITEM FIFTEEN: EXTERNAL AUDITOR'S REPORT FOR 2005

 $\underline{\P}$ 39. (U) The CSP noted the report of the External Auditor, as well as the EC's comments, without comment.

ITEM SIXTEEN: ADMINISTRATIVE AND FINANCIAL MATTERS

- $\P40$. (U) 16.1: Regularization of Payment Dues to OPCW. The CSP approved the plan without comment.
- $\P41$. (U) 16.2: Report of the OIO for 2005. The CSP noted the report, as well as the DG's note on the report without comment. The CSP also noted the comments on the OIO report found in the Forty-Fifth Session of the EC (paragraphs 10.2 and 10.3 of EC-45/2, dated May 19, 2006).
- $\underline{\mathbf{1}}42$. (U) 16.3: Amendments to Financial Regulations. The CSP considered and adopted the amendments without comment.

- $\P43$. (U) 16.4: Transfers of Funds Between Programmes in 2005. The CSP noted the note without comment.
- ¶44. (U) 16.5: Future Implementation of Tenure Policy. The CSP decided to amend paragraph 1(c) of C-SS-2/DEC.1, thereby granting the DG the right to extend employment contracts in exceptional circumstances beyond the seven year tenure period until April 29, 2012.

ITEM SEVENTEEN: ARTICLE XI

¶45. (U) Noted above.

ITEM EIGHTEEN: UNIVERSALITY

146. (U) The CSP noted the annual report by the DG and adopted the decision concerning the plan of action (C-11/DEC/CRP.14, dated 5 December 2006) without comment. The facilitator for this topic, Sad Moussi (Algeria) gave a brief report on recent activities, including the recent seminar in Rome. However, he failed to note, as he had promised the U.S. delegation he would, that certain delegations had sought numerical targets in the decision text.

ITEM NINETEEN: OPCW OFFICE IN AFRICA

147. (U) The report language was approved without discussion.

ITEM TWENTY: REPORTS OF SUBSIDIARY BODIES

- $\underline{\ }$ 48. (U) 20.1: Committee of the Whole. The CSP approved the report of the Committee without comment.
- $\P49$. (U) 20.2: General Committee. The CSP approved the report of the Committee without comment.
- 150. (U) 20.3 and 20.4: Confidentiality Commission. The CSP

noted and approved the report of the Eight Meeting of the Commission. The CSP elected 20 members of the 5 Regional Groups by acclamation for the next 2 year term (beginning January 2007).

151. (U) 20.5: Credentials Committee. The CSP considered and approved the report of the Committee on the credentials of the newly elected Representatives to CSP-11.

ITEM TWENTY-ONE: ANY OTHER BUSINESS

 $\P52$. (U) The CSP adopted a decision on the establishment of a Committee on Relations with the Host Country without comment.

ITEM TWENTY-TWO: DATES OF MEETINGS

- 153. (U) 22.1: CSP-12. The Conference agreed that CSP-12 will be on November 5-9, 2007.
- $\underline{\mathbf{1}}$ 54. (U) 22.2: Second Revcon. The CSP agreed that this will be on April 7-18, 2008.
- 155. (U) 22.3: CSP-13. The Conference agreed that CSP-13 will be on December 2-5, 2008, as sought by the U.S.
- 156. (U) Javits sends.